

**COMMENTS ON THE CONSULTATIVE DOCUMENT: CORPORATE
GOVERNANCE PRINCIPLES FOR BANKS**

First of all, the IBGC would like to congratulate the Basel Committee on Banking Supervision on its initiative to review prior documents and to release for public comments the consultative document: Corporate Governance for Banks.

We would also like to congratulate you on the quality and content of the consultative document.

Consequently, we have a few comments:

Under Responsibilities of the Board, paragraph 23, we suggest that another item is added, which is: "establish internal and external whistle blowing channels in order to address legal and compliance breaches".

Under Oversight of Senior Management, paragraph 44, we suggest that another item is added, which is: "ensure that an appropriate performance evaluation system is in place".

Under Compliance, paragraph 131, the comma after applicable (last line) should be eliminated, since it is misplaced.

Under Internal Audit, first item of paragraph 142, we suggest to include the word "and regularly" after the word independently. The item would then read: "requiring the function to independently **and regularly** assess the effectiveness and efficiency of the internal control, risk management and governance systems and processes".

Under Disclosure and Transparency, paragraph 154, we suggest that another item is added, which is: "the number of independent directors".

We are available for further discussions on these items and/or the content of the document.

Best regards.

Brazilian Institute of Corporate Governance - IBGC